

SECRET

## PROJECT APPROVAL NOTIFICATION

PROJECT <b>AERODYNAMIC</b>		<input checked="" type="checkbox"/> CA	<input type="checkbox"/> PROPRIETARY
		<input type="checkbox"/> FI/CI	<input type="checkbox"/> SUBSIDY
			<input type="checkbox"/> DIRECT
ACTION		AREA	
	NEW PROJECT	DIVISION <b>SB</b>	
	AMENDMENT		
<b>XX</b>	RENEWAL <b>FY 1968</b>	BRANCH <b>CA</b>	
	TERMINATION	DESK	
	EXTENSION		
	OTHER	CASE OFFICER <b>C</b>	EXTENSION <b>6508</b>
AUTHORIZATION			
APPROVING AUTHORITY		TOTAL AMOUNT APPROVED	FY
<b>ADD/P 14 February 1968</b>		<b>\$ 0</b>	<b>196 8</b>
PERIOD OF APPROVAL			196
FROM <b>1 July 1967</b> TO <b>30 June 1968</b>		FINANCIAL CODE SYMBOL	<b>8134-0612</b>
CONDITIONS OF APPROVAL			
<p><b>Renewal of Project AERODYNAMIC approved in the</b></p> <p><b>amount of \$ 0 for FY 1968.</b></p> <p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHOD EXEMPTION 3020 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007</p>			
SIGNATURE		DATE	
MPS/BG ( )			
<b>JAN 0010</b>		DISTRIBUTION	
1	FINANCE DIVISION	1	BUDGET DIVISION
1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER
2	MPS/BG		

FORM 849 USE PREVIOUS EDITIONS.

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GROUP 1  
EXCLUDED FROM AUTOMATIC DOWNGRADING  
AND DECLASSIFICATION

(5)

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26 January 1968

MEMORANDUM FOR: C/CA/PEG

SUBJECT: Renewal of Project AERODYNAMIC (6B Division)

REFERENCE: My memorandum for you, dated 3 October 1966,  
same subject

1. I recommend approval of the request in the amount proposed.
2. Recent evidence of unrest in the Ukraine -- see, inter alia, our guidance "Ferment and Repression in the Ukraine," PROPAGANDA GUIDELINES, January 1968 -- confirms once more that it is correct to continue exploiting Ukrainian nationalism.
3. The renewal request impresses me as sufficiently detailed and adequately documented. Data about production of publications, their distribution into Soviet territory and their impact -- including angry Communist reactions --, indicate satisfactory development of the project.

/s/  
C/CA/PROP

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26 January 1968

MEMORANDUM FOR: Chief, Missions and Programs Staff,  
Budget Group, Covert Action

SUBJECT : Project AERODYNAMIC Renewal (FY-1968)

The formulation of the final details in AERODYNAMIC's organizational change of status, its move to Europe and its revised funding has not been completed as yet. The SB Division continues to coordinate the still necessary actions with EUR Division, the Office of General Counsel and the Central Cover Staff, and it is anticipated that the requirements for both the operational objective and operational security will be met through this coordinated handling.

Chief, Funding Branch  
Central Cover Staff

cc: SB/CAO  
C/EUR/CA  
C/CA/PEG

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14 February 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Project AERODYNAMIC  
FY 1968 Renewal

1. Subject action was approved this date by the ADD/P in the requested amount of \$[ ] for FY 1968.

2. For purposes of briefing the ADD/P on the current status of project activities, [ ], SB/CAO, was in attendance.

3. [ ] explained the background, generally, of this project and, in response to questions raised by the ADD/P, provided additional details relative to its effectiveness and the merit of continued Agency support. The ADD/P expressed concern with proposed plans to change the New York based entity to a commercial enterprise without legitimate income and queried [ ] as to how that entity would be funded.

4. The ADD/P directed [ ] to inform him when the proposed commercial corporate entity in New York City actually comes into being.

5. SB Division's response to the requirement in paragraph 4 above should be by memorandum addressed to the ADD/P via MPS/BG/CA.

Distribution:

MPS/BG/CA

Orig - MPS/BG/CA

- 1 - SB/CAO ( ) ✓
- 1 - SB/CA/AERODYNAMIC
- 1 - CA/PEG
- 1 - CCS/FB
- 1 - ADD/P Chrono

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CA/PEG PROJECT DATA SHEET

Date 13 February 1968

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
SB/CA	USSR	FY 68 Renewal	Propaganda	AERODYNAMIC

1. Funds	Programmed	Requested	Approved	Obligated
FY 1967		\$ [ ]	]	\$ [ ]
FY 1968	\$ [ ]	]	\$ [ ]	]
FY 1969	\$ [ ]	]		

2. Description of Activity:

Project AERODYNAMIC is the principal vehicle through which SB Division conducts its operations against the Ukrainian Soviet Socialist Republic. The main purpose of the project is to exploit contacts with Soviet Ukrainian citizens in order to encourage national and intellectual unrest in the Ukrainian SSR, thus encouraging cultural and intellectual freedom for Soviet citizens. CIA has been in contact with the ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council) since 1950. Anti-Soviet propaganda activities were begun from New York by a panel of the ZP/UHVR in 1953, and continued until the recent Katzenbach guidelines required that the group no longer publish, be funded, or be organizationally based in the United States. Final details of the move of the principal activities of the organization to Europe are still being negotiated.

3. Funding:

Until the MHDOWEL flap, Prolog Research and Publishing Association, Inc., the cover company for the ZP/UHVR's activities, was funded through the [ ] a legal entity established by CIA. Funds were made available to the Munich branch office through bank transfers from New York.

Under the new arrangement now being worked out, the New York office will be reconstituted as a profit-making commercial enterprise entitled Prolog Research Corporation. Ostensibly, the profits will come from contracts to be fulfilled for the Munich office. Funds for the New York office will probably be passed through a [ ] bank account. Payments to the Munich office will also be made through a [ ] bank account.

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4. Interagency Coordination and Approval:

On 30 October 1967, the 303 Committee held up approval pending a review of the project by Ambassador McGhee in Germany. The Ambassador approved on 17 November 1967. The 303 Committee again reviewed on 1 December 1967 and (a) approved continuation of CIA's relationship to Prolog subject to annual review of Prolog's value and effectiveness; (b) approved the merger of Prolog's activities with Suchasnist in Munich, and the continued residence of certain Prolog personnel in the United States; (c) took note of the fact that Prolog publications will continue to find a limited market in the United States. Assistant Secretary of State briefed in November 1967. ZP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the FBI or the contact is coordinated with the FBI through the project case officer.

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## CA/PEG PROJECT EVALUATION

Date 13 FEB 1968

Initials		Date	Initials		Date
1. DC/CA/PEG	WVW	2/13	5. MPS/BG/CA		
2. C/CA/PEG (signature)	Kym	2/13	6. ADDP		
3.			7.		
4.					

PEG Eval. Officer	<input checked="" type="checkbox"/>	1
Date		
Received	15 Jan. 1968	
Date Due in		
MPS/BG/CA	26 Jan. 1968	

## EVALUATORY COMMENT:

1. Within the context of the history of Project AERODYNAMIC, it has continued to perform effectively during the last project year. Collaborators of the ZP/UHVR have maintained a steady rhythm of contacts with Soviet citizens travelling in the West, as well as with some Ukrainians living in Czechoslovakia who travel frequently to the Soviet Union. During FY 67, contact was made with about 158 Soviet nationals, many of whom were Soviet officials at the United Nations in New York where they were re-contacted repeatedly. During these contacts, approximately 538 pieces of literature published in the West were passed, with some 143 pieces handed personally to Soviets in the USSR. In addition, a total of 18,353 pieces of Western published literature were provided for Soviets. The bulk of this literature was produced by the ZP/UHVR and mailed to the USSR.

2. Beyond this positive statement of the activities of Project AERODYNAMIC, however, lie deeper legitimate questions concerning effectiveness and value. In giving 303 Committee approval, the Deputy Undersecretary of State, Mr. Kohler, raised the question of how long it would be profitable to support such emigre groups, and the 303 approval itself required an annual review of effectiveness. The CIA memorandum to the 303 Committee calls attention to the positive intelligence, operational leads and counter-intelligence information gleaned from the project, and Chief, SB told Mr. Kohler that the project had provided considerable intelligence not otherwise available.

3. There is little concrete information available on which to base a valid analysis of the worth of this project. As for positive intelligence, the project has produced only seven formal disseminations during the past year. We cannot judge the value of the operational leads, but certainly the question should be asked if these leads have actually been used in operations and have

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
SB/CA	USSR	FY 68 Renewal	Propaganda	AERODYNAMIC

ADDP Action:

Amount:

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given any results? Have the contacts of the ZP/UHVR collaborators among Ukrainians in the USSR led to operations? The project renewal indicates that the effectiveness of AERODYNAMIC is demonstrated by the attacks of Soviet officials on its publications, and by efforts of Soviet officials to woo ZP/UHVR collaborators. Are these few indications of Soviet awareness of ZP/UHVR activity sufficient response for sending some 18,000 pieces of correspondence to the USSR, and supporting the contact efforts of the Ukrainian emigres? Attention is drawn in the 303 paper to the nationalist flare-ups in the Ukraine, but can we say with any certainty that the ZP/UHVR has contributed to this situation?

4. These questions imply no more than the fact we are faced with the usual difficulty in evaluating an emigre activity. Our answers lie in a denied area; to terminate AERODYNAMIC would be to cut our only link with an important segment of the Soviet population. We are confronted with an expensive project, for which little can be offered in the way of tangible results, but which is directed toward worthwhile objectives.

5. On balance, CA/PEG recommends approval of this renewal.



PROJECT ACTION					CRYPTONYM AERODYNAMIC				
	TYPE OF ACTION		FI/CI		XX	CA		OTHER	
	NEW PROJECT APPROVAL		DIVISION SB						
	AMENDMENT NO.		FIELD STATION Headquarters Project						
	XX	RENEWAL FY 1968	BRANCH SB/CA		DESK				
	EXTENSION		CASE OFFICER E					DATE	
	TERMINATION		ROOM NO. 5B4804	BUILDING HQS	TEL. EXT.	RED 1507	BLACK 6508		
CONCURRENCES OF DIVISIONS									
ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)				DATES		MEMO ATTACHED		
					IN	OUT	YES	NO	
SB/CAO	E				J	2 Jan 68	2 Jan 68	✓	
C/SB/BF	for E				J		4 Jan 68		
C/SB/SS	E				J	5 Jan	5 Jan	✓	
DC/SB/SOV	E				J	8 Jan	8 Jan	✓	
SB/COPS	E				J	8 Jan	8 Jan		
DC/SB	E				J	9 Jan	9 Jan		
C/SB	E				J	9 Jan	9 Jan		
CONCURRENCES OF OTHER COMPONENTS									
ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)				DATES		MEMO ATTACHED		
					IN	OUT	YES	NO	
MPS/C-BG	E				J	14 Jan 68	14 Jan 68		
MPS/BG/CA	for E				J	10 Jan 68	14 Feb 68		
CA/C-PEG	E				J	15 JAN 1968	13 FEB 1968		
CCS/F	E				J	15 Jan 68	26 Jan 68	X	
CI/OPS/SB	(Signed) E				J	23 Jan 68	24 Jan 68	X	
EUR/CA	(Signed) E				J	16 Jan 68	18 Jan 68	X	
APPROVAL									
APPROVING AUTHORITY	PERIOD		AMT THIS ACTION		FY	TOTAL AMOUNT		DATE	
	FROM	TO	\$	¢	1968	\$	¢		
ADDP	1 July 67	1 June 1968	\$	E	J			14 Feb 68	
			SIGNATURE E						

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PROJECT AERODYNAMIC RENEWAL - FY 1968

A. Program Data and Financial History

1. Total funds requested: \$
2. Amount programmed for FY 1968: \$
3. Funds approved and obligated by fiscal year since Project was initiated:

<u>Fiscal Year</u>	<u>Amount Approved</u>	<u>Amount Obligated</u>
1954	\$ [	\$ [
1955		
1956		
1957		
	Amendment	
1958		
1959		
	Amendment	
1960		
1961		
1962		
1963		
1964		
1965		
1966		
1967		

[ Revolving Fund 1

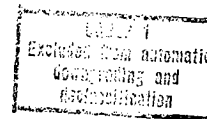
B. Current Objectives

ZP/UHVR contacts with Soviet Ukrainian citizens will continue to be exploited for the purpose of encouraging national and intellectual unrest in the Ukrainian SSR, with the aim of attaining cultural and intellectual freedom for Soviet citizens. Positive intelligence will be gathered as a by-product to satisfy United States needs.

C. Changes

1. Prolog Research and Publishing Association, Inc., New York, the cover organization serving this activity in the past, is being liquidated as an American corporate entity. Its

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publishing activity will be merged with the Munich office, which will become the headquarters for all the project's publishing activity. Prolog personnel in New York will continue contact operations in the United States. There will be informal supervision of the European activities from the United States, as a result of the continued residence in the United States of the head of the combined organization, Mykola Lebed, whose leadership will be recognized and accepted by all members of the organization regardless of the formal arrangements to be made by the organization.

2. In reconstituting the New York office, two alternatives are still being considered. The first is to pay Prolog employees individually, funding the U.S. based contact operations through the Munich office. The other alternative is to establish a commercial enterprise in New York and have it funded notionally via a European bank account. The final decision on the form of the New York mechanism will depend to a large extent on how the retirement program presently in existence for Prolog personnel can be retained within the provisions of the law by which it would be affected.

3. Although as noted above the new funding mechanism and the actual legal entity for the U.S. based personnel are not yet formulated, renewal of the project, in lieu of an extension or amendment, is being requested to permit funding of the project for the remainder of fiscal year 1968, to insure that funds are available to cover the payroll, administrative and operational expenses. The details concerning the new funding mechanism and the formal composition of the organization will be submitted in a separate memorandum as soon as they have been defined.

#### D. Intelligence Production

As a result of contacts established with Soviet intellectuals, ZP/UHVR obtained considerable information during the past year on the national and intellectual unrest in the Ukrainian SSR and information concerning imprisoned Soviet Ukrainians. There were 7 formal disseminations made of positive intelligence during FY-1967. In addition, there were obtained numerous documents which attest to the seriousness of the unrest in the Ukrainian SSR. One document is in the process of being published in book form in French and English. Some have been surfaced in ZP/UHVR publications and others are scheduled for publication in the near future.

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E. Effectiveness

1. Mutual respect developed with in a wide circle of liberal-minded intellectuals in the Ukrainian emigre community over a period of years has opened many opportunities with respect to developing contacts with Soviet citizens, particularly with Soviet intellectuals travelling in the West. Detailed contact reports submitted to CIA describe the common grounds on which ZP/UHVR sources base their conversations with Soviets with whom they talk and the respect they have for each other, in spite of the sometimes heated arguments over political and ideological differences. Topics vary from the vital issue of Russification in the Ukraine and the liquidation of the Ukrainian Catholic Church to the question of Soviet Ukrainian diplomatic representation in the West. A number of ZP/UHVR sources have established contacts in the UkSSR, or are in touch with Ukrainians living in Czechoslovakia who travel frequently to the Soviet Union. These sources gather constant indications that many Soviet Ukrainian intellectuals now recognize the ZP/UHVR as a base to which they can appeal for material and spiritual aid. (Such aid has been dispatched in the form of gift parcels sent to the relatives of persecuted intellectuals and in the form of literature which is unavailable to them in the Ukraine.) The implication that the ZP/UHVR is recognized as a symbol of Ukrainian national interests also is made in Soviet attacks on the ZP/UHVR, and particularly in their sometimes subtle efforts to render the group ineffective. Thus, Soviet Ukrainian cultural officials have not only denounced Prolog activities but also have tried to court and influence ZP/UHVR collaborators. The discipline and close connections among ZP/UHVR personnel has contributed to secure operations. There have been no instances involving the arrest of a ZP/UHVR collaborator nor have their collaborators attracted attention outside Ukrainian circles.

2. A 240-page document, brought to the West in January 1967 by a ZP/UHVR source, will be surfaced in the English language in the West in March 1968 and in French in January 1968. The document is a protest by Ivan Dzyuba, a Soviet Ukrainian literary critic, to the CC CPU and to the Chairman of the Ukrainian Council of Ministers against the arrest and imprisonment of his colleagues, some without even the benefit of a trial and without any public announcement of the nature of the accusations. The critic himself had also been arrested, but he was released after questioning because of ill health. Another document brought to the West contains a similar protest made by a Soviet Ukrainian journalist and member of the Communist Party of the Ukraine, in which he accuses Soviet authorities of reducing to a state of fiction the sovereignty

of the Ukrainian republic and criticizes the Secretary of the CPU and other Soviet Ukrainian officials for neglecting to respond to requests from Soviet citizens for some action on behalf of persecuted intellectuals and for their indifference to Russification in the Ukraine.

3. In the past year numerous documents of political and literary significance on the situation in the Ukraine, which when published will be embarrassing to Soviet authorities, were brought to the West by ZP/UHVR collaborators.

4. ZP/UHVR obtained and released in the West a list of 17 of the reported 70 Soviet Ukrainians arrested during 1965 and 1966 for "anti-Soviet activities." According to Ivan Drach and Dmytro Pavlychko, two prominent Soviet Ukrainian writers who were sent to the West under cover of "advisers" to the Soviet Ukrainian delegation to the United Nations, the evidence against the defendants included various documents criticizing the Soviet system of government and the hostile attitude of the system toward things Ukrainian. A major source of controversy in the persecution against the arrested Soviets appears to be their preoccupation with nationalist literature, among which literature found in their possession was ZP/UHVR anti-Soviet literature.

5. When it was learned that Drach and Pavlychko would be in New York, ZP/UHVR instigated a literary evening to be sponsored by a Ukrainian emigre circle of intellectuals, during which evening the two writers were placed in a situation where they were forced to confirm publicly the fact that Ukrainian intellectuals had been arrested and imprisoned for anti-regime activities. They also expressed the opinion that they thought the sentences were too harsh. These statements are available on a tape recording made at the literary evening. It was learned through ZP/UHVR sources that on their return to the Soviet Union, the two writers were called to a conference with Petro Shelest, First Secretary of the CPU and thoroughly debriefed on their contacts with Ukrainian emigres. Shelest is reported to be considered by Soviet Ukrainians as more kindly disposed toward their demands for derussification in the Ukraine than are his colleagues.

6. During FY-1967, ZP/UHVR collaborators had contact with over 158 Soviet citizens. Many of these contacts, particularly those with Soviet officials at the United Nations, were frequently repeated contacts which lasted for several hours and which took place in the homes of the ZP/UHVR collaborators, where Soviet citizens are more inclined to relax and speak

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openly. During such contacts, 538 pieces of literature published in the West were handed to the Soviets. In a number of instances, contact with visiting Soviet intellectuals were made possible through the intercession of Soviet United Nations officials with whom ZP/UHVR collaborators maintain periodic contact.

7. Significant CE information was made available to CIA and the FBI as a result of ZP/UHVR contacts with Soviet citizens.

8. A total of 18,353 pieces of Western published literature was distributed to Soviet citizens during the period 1 July 1966 through 31 June 1967. A detailed record of the distribution program is shown in Attachment F.

F. Evaluation of Publications

1. The effectiveness of ZP/UHVR literature can best be measured by the response it brings from the target audience: Soviet Ukrainian intellectuals whose interest it draws and Soviet authorities whose ire it appears to evoke. Some responses, even from Soviet Ukrainian officials of high rank, have been favorable. The fact that the Soviet Ukrainian newspaper Literaturna Ukraina commented less than 2 months after the book Girassol came off the press, was an indication not only that at least some of the copies mailed to Soviet writers had been received but also that it was considered to be of some consequence. Girassol (The Sunflower) is an anthology of Ukrainian poetry written by young Western and Soviet Ukrainian poets and translated into Portuguese by a young Ukrainian emigre in Brazil. The Soviet reviewer commented favorably and Soviet authorities could hardly ban the publication in which their own writers were objectively presented. When the author visited in the UkSSR subsequent to the book's publication, she was invited to appear at a literary evening sponsored by the Union of Writers of the UkSSR. This resulted in some publicity in the Soviet press and an opportunity to make contact with many prominent Ukrainian intellectuals, with some of whom contact and an exchange of books is being maintained. (The author also managed clandestinely to carry out on her way back to the West a number of documents damaging to Soviet authorities.)

2. Suchasnist, ZP/UHVR's major publication is the most discussed Western Ukrainian-language publication. It is widely respected not only among emigres but among circles of the liberal intelligentsia in the Ukraine as an important

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source of information on the Ukraine today and for the publication of works of Soviet Ukrainians banned by the censors at home. Suchasnist is subscribed to by the Soviet Embassies in Vienna and Ottawa, and purchased regularly in a book shop in New York by members of the Soviet United Nations delegation. The journal and reprints of articles from it published in pamphlet form are the subject of frequent Soviet attacks and a subject of conversation between Ukrainian emigres and Soviet citizens. Suchasnist is designed to appeal to Ukrainian intellectuals and its material is solicited from Ukrainian emigres and other Western scholars, artists and writers. The journal also is used to surface certain of the documents brought out from the USSR, and it publishes articles which tend objectively to comment on various problems and situations in the UkSSR. Suchasnist is not a political organ as such, as it presents the views of the wide selection of authors it prints rather than the views of the publisher. From 1 July 1966 through 30 June 1967 3,054 copies of the journal were distributed to Ukrainians in the UkSSR and the satellites. Details of distribution are shown in Attachment F.

3. Ukrainskyy Samostiynyk, the monthly organ of a splinter Ukrainian emigre organization, which is partially supported from the project funds, also comments on Soviet Ukrainian realities. It publishes more articles and commentaries of a political nature than does Suchasnist. It is influenced to a large extent by the ZP/UHVR. The authors of articles in this publication have not been immune to Soviet attack either. During FY 1966, 3,132 copies of Ukrainskyy Samostiynyk were distributed to Ukrainians in the UkSSR and the satellites.

4. The Ukrainian-language Information Bulletin published about six times annually, is the only ZP/UHVR publication obviously and specifically directed to Soviet Ukrainian citizens. It is mailed from ten Western areas to Ukrainians in the UkSSR at a rate of from 1,000 to 1,500 copies monthly. In view of the nationalist flare-ups in the Soviet Union in the past three years, particularly in the Ukraine, it is considered worthwhile to continue the publication and distribution of the Information Bulletin which seeks to appeal to Ukrainian nationalist, anti-Soviet tendencies.

5. The Digest of the Soviet Ukrainian Press, ZP/UHVR's only English-language publication, was a Prolog cover activity. The publication was the only digest of the Soviet Ukrainian press in existence in the West. It was of negligible expense

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(\$1400 annually) to the project, as it was a by-product of Prolog's daily research of the Soviet press. The Digest was distributed to 73 regular subscribers at \$15.00 per year or \$30.00 for three years, and 90 promotional copies were mailed monthly to news media, schools, libraries and various individuals engaged in research on the Soviet Union. There were 10 regular CIA users. In accordance with the DDP decision to discontinue all U.S.-based publishing activities, the Digest will no longer be published.

A French-language edition of the Digest, Echos d'Ukraine, compiled and published in Paris by ZP/UHVR's representative there, is published monthly and circulated at the rate of about 800 copies monthly to French scholars, students from French-speaking areas and to French-speaking individuals in the newly developed areas. The total cost to the project is \$2500 per year, which cost includes payment for all other services performed by the ZP/UHVR representative in Paris; i.e., services connected with the mailing and distribution of ZP/UHVR literature from France and contacts against Soviet citizens. Echos d'Ukraine, unlike the English-language Digest, carries commentary on the Soviet press and current events in the Soviet Union.

6. Mertvym Ne Bolyt' (The Dead Feel No Pain), a novel by a Soviet Byelorussian writer, was published in book form in the Ukrainian translation for distribution to Soviet citizens. The novel is a realistic and unglamorized description of events of WWII from the point of view of a young Red Army lieutenant. It was serialized also in Suchasnist.

7. Attached are detailed reports concerning the special booklets and pamphlets published by the ZP/UHVR during FY-1967.

#### G. Problems

1. Prolog is faced with a personnel problem. The charter members of the group are growing older. During FY-1967, the group was seriously hampered through the illness and long absence of the Vice-President and a heart attack suffered by another employee. The principals, particularly the Operations Officer of the organization are overworked. It is almost impossible to draw qualified young people into the organization since it can offer little in the way of financial advancement or security. It is only because of the sincere dedication to the aims of the organization, and a sincere desire to support their fellow Ukrainians in the homeland to secure intellectual and national freedom that the present employees are able to continue with their activities under present circumstances. A valuable

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young employee resigned to accept employment with Radio Liberty, which offered him a higher salary, better fringe benefits and "more opportunity for advancement."

There have been no real problems of security. Cover problems have already been discussed in paragraph C, under Changes.

#### H. Liaison

The American Ambassador (Ambassador McGhee) in Bonn was briefed on the project and the proposed changes on 17 November 1967. He agreed to the changes proposed and specifically the funding of the whole project through the German Station. The project was reviewed on 1 December 1967 by the 303 Committee, which (a) approved continuation of CIA's relationship to Prolog on the understanding that this decision will be subject to annual review of Prolog's value and effectiveness; (b) approved the merger of Prolog's activities with Suchasnist in Munich, and the continued residence of certain Prolog personnel in the United States; (c) took note of the fact that Prolog publications will continue to find a limited market in the United States.

#### I. Interagency Coordination

The Assistant Secretary of State was briefed in November of this year on the activities of the project and reviewed the paper prepared for the 303 Committee.

ZP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the Federal Bureau of Investigation or the contact is coordinated with the FBI through the project case officer.

#### J. Plans

It is planned to continue in Germany existing ZP/UHVR publications and the publication of special books and pamphlets for distribution to Soviet citizens. Contact operations against Soviet citizens also will be continued and will be directed from the New York office.

#### K. Costs

See pages 9 and 10 and 11.

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BUDGET SUMMARY  
PROJECT AERODYNAMIC

- 9 -

CASH RESOURCES

	FY-1966	FY-1967
Beginning cash balance 30 June 1966	£	£
Accounts receivable & outstanding advances		
Project authorization \$ . . . less \$ . . . Hqs. c/o expenses		
Income from sales of books & subscriptions		
Total Cash Resources Available	£	£

EXPENDITURES

Payroll & fringe benefits (For payroll breakdown see Attach A	79,309.79	73,072.84
Fixed expenses (office administration)	£	£
Operational travel (see Attach B for details on foreign travel)		
Purchase of books & publications		
Grants in aid, entertainment, public info & education		
Publishing & distribution activities (includes only items 1 thru 4 and items 6 and 9 of Attach C)		
Contact operations		
Affiliated groups		
*Special projects & activities (includes items 5-7-8 & 10, Attach C)	£	£
Total expenditures		

Summary

	FY-1966	FY-1967	FY-1968
1. Total Cash Resources	£	£	£
2. Less Total Expenses	£	£	£
3. Ending Cash balance		£	£*

\*(this includes a \$ £. revolving fund)

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BUDGET - PROJECT AERODYNAMIC

	FY-1966	FY-1967	FY-1968	FY-1969	FY-1970
<u>PAYROLL AND FRINGE BENEFITS</u>					
Salaries	73,679.38	67,705.50			
Contribution to Employee Pension Plan	3,601.44	3,551.28			
Insurance	1,966.97	1,746.06		5% increase 1969	
Dues & Registration	62.00	70.00		3,653.64	
TOTAL PAYROLL & FRINGE BENEFITS	79,309.79	73,072.84		76,726.44	
<u>FIXED EXPENSES</u>					
Rent	L	L			
Light					
Telephone					
Stationery, <sup>POSTAGE,</sup> office supplies & serv					
Taxes and licenses					
Maintenance & repair					
Bank services					
Depreciation & obsolescence					
Foreign exchange losses				+ 3% increase FY 1969	
Misc. small expenses		J	J	333.96	
TOTAL FIXED EXPENSES	L	L	J	L	J
<u>OPERATING EXPENSES</u>					
Travel	L	L			
Entertainment					
Purchase of books & publications					
Grants in aid					
Public info & education				+ 3% increase FY 1969	
Affiliated group				2,360.60	
Special projects & activities		J	J		
TOTAL OPERATING EXPENSES	L	J	J	L	J
TOTAL BUDGET	L	J	J	J	J

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Project Aerodynamic  
Estimated Costs FY1968

Payroll & Fringe Benefits	70,478.00	3
Fixed Expenses	£	3
Operating Expenses	£	3
Headquarter's Case Officer	£	3
Total	\$ £	3

Breakdown for above general categories of FY 1968 Budget follows essentially the FY 1967 Budget as presented, page 10.

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PAYROLL BREAKDOWN

New York Office:

FY-1967

AECASSOWARY/2 (President	\$ 11,970.00	
/17 (Vice President)	10,080.00	
/26 (Bookkeeper/writer)	9,072.00	
/29 (Operations officer)	9,336.00	
/4 (Research.clerical)	8,190.00	
/11 (clerical)	5,040.00	
/56 (research/writer)	5,500.00	\$ 59,188.00

Part Time

/22 (Translator	900.00	
Writer	2,880.00	
Translator/writer/receptionist	1,160.00	
clerical	2,210.00	
contact ops	1,250.00	
contact ops	499.50	8,517.50

Total NY Office Payroll in FY 1967

\$ 67,705.50

Munich Office - Payroll as of December 1, 1967

AECASSOWARY/6	\$1,871.10
Clerical (L.F.)	2,292.00
Clerical (M.H.)	1,064.70
/10 writer	2,608.20
/8 editor	3,419.40
Accountant	2,835.00

Part Time

Assoc. Editor (B.K.)	360.00	
Assoc. Editor (B.B.)	360.00	
Assoc. Editor (Rach.)	360.00	\$15,170.40

Ukrajinskyj Samostijnyk - Munich:

Editor - B.K.	\$2,250.00	
Bookkeeper I.C.	1,650.00	\$3,900.00

ATTACH A

SECRET

COST OF FOREIGN TRAVEL

For the Period from July 1, 1966 to June 30, 1967

<u>Name of Traveller</u>	<u>Dates of Travel</u>	<u>Area Visited</u>	<u>Total Cost</u>
President	8-20/23 - 66	Toronto, Windsor	\$ £ 3
President and Collaborator	9-03/06 - 66	Toronto, Ont.	£ 3
Operations officer	8-26 to 6-16-66	London, Brussels, Paris, Frankfurt, Rome, Paris	£ 3
President and 2 Collaborators	2-23/26-67	Toronto, Ont.	£ 3
Vice President	3-16/19-67	Winnipeg, Can.	£ 3
Ops Officer	5-10/27-67	London, Paris, Frankfurt, Munich Rome, London	£ 3
President	6-22/23-67	Toronto, Ont.	£ 3
		TOTAL	\$ <u>          </u>

ATTACH B

SPECIAL PROJECTS & ACTIVITIES

1. Information Bulletin

Cost of printing

Cost of mailing (this item includes certain mailing book costs)

£    £  
£    £    \$    £    £

2. Digest of the Soviet Ukrainian Press

Cost of printing

Distribution Cost

Cost of typing, translating & editing

£    £  
£    £  
£    £  
£    £

3. Photo-copying and duplicating costs (misc.)

£    £

4. Echo de l'Ukraine

Cost of editing, printing & distribution

£    £

5. Cost for exposition of prints of old art from the Ukraine

£    £

6. Translation of Soviet documents

£    £

7. Representative at United Nations

£    £

8. Representatives in Germany & Canada

£    £

9. Small payments for services such as transportation of books from Germany to U. S. and supplies used by representatives

£    £

10. Payment to AECASSOWARY/2 in Munich, who for reasons of security, is not carried on books in Munich

£

Grand Total

\$

ATTACHMENT C

SECRET

COST OF CONTACT OPERATIONS for the Period: 7-01-66 to 6-30-67

1. Travel and operational expenses incurred by various collaborators in areas as listed:

United States	\$	£	3
Italy		£	3
France		£	3
Ukrainian SSR (Western traveller/s)		£	3
Germany		£	3
Belgium, Sweden & Gr. Brit.		£	3
Austria		£	3
CSR, Poland, Rumania		£	3
Bulgaria		£	3
Canada		£	3
<hr/>			
Total Cost Incurred by Collaborators	\$	£	14
Stamp program		£	3
Package Mailing Program		£	3
19 parcels mailed to 20 individuals		£	3
<hr/>			
TOTAL COST OF CONTACT OPERATIONS	\$	£	19

SECRET

ATTACH D



Books Published:

1. Franko: <u>PRO SOCJALIZM &amp; MARKSYZM</u> (Final Payment)	\$ 795.54
2. <u>Mertwym Ne Bolyt'</u> (The Dead Feel No Pain)	434.73
3. <u>Girassol</u> (Sunflower)	630.00
4. Hnizdovsky: <u>Paintings, Prints, Ceramics, Essays</u>	2,167.35
5. Symonenko: <u>Bereh Czekan'</u> -(The Shore of Expectations) (Hard Cover)	90.00
6. Majstrenko: <u>Storinky z Historyji Kom. Partji Ukrajiny</u> (Pages from the History of Ukr. Comm. Party)	507.13
	<u>\$4,624.</u>

Books in Process:

1. Krawciw: <u>"60 Poets of the 60's"</u>	\$ 175.00
2. Camus: <u>Selected Works</u> in Ukrainian	250.00
3. Rubchak: <u>Anthology of Ukrainian Poets Abroad</u>	200.00
4. Lawrynenko: <u>Essays</u>	136.00
5. Dziuba: <u>Internacjonalizm czy Russyfikacja</u> (Internationalism or Russification)	50.00
6. Shachray: <u>Do Chwyli</u> (On the Current Situation)	215.00
	<u>1,026.</u>

Pamphlets and Books Published:

1. Do Powstannia Zbirnyka "Poetyczna Ukraina F. Bodenshteda (To the Beginning of the Collection "Poetic Ukraine" of F. Bodenshtedt)	\$ 30.00
2. W. Stachiw: <u>Rumunskyj Degolizm</u> (Rumanian DeGaullism)	30.00
3. R. Rachmannyj: <u>Presa USSR-1967</u> (Press in the Ukr. SSR-1967)	20.00
4. <u>Arresti in Massa</u> (Mass Arrests in the Ukraine)	70.00
5. B. Osadchuk: <u>Yugoslavia Zblyzka i Zdaleka-</u> (Yugoslavia From Near and Far)	30.00
6. B. Krawciw: <u>5-yj Kongres Spilky Pysmennykiw Ukrainy-</u> (5th Congress of the Ukrainian Writers Assn.)	25.00
7. I. Tarnawski: <u>Perlimplin</u>	64.15
	<u>269.</u>

Total Cost of Book Publication Program	\$ 5,920.
Cost of Mailing Books to the Soviet Union and Satellites	668.
Total Cost of Book Publication and Book Distribution	\$ 6,588.
Add: Cost of Books Bought from Other Publishers	1,322.
TOTAL COST OF BOOK PROJECT	\$ 7,911.

SECRET

ATTACH E

# Summary Of Quarterly Accounting Reports by Prolog

	JULY. SEPTEMBER 1967	OCTOBER. DECEMBER 1967	JANUARY. MARCH 1967	APRIL - JUNE 1967
<u>PAYROLL &amp; FRINGE BENEFITS</u>				
SALARIES	17,193.25	17,166.25	17,623.00	15,723.00
INSURANCE	464.48	446.79	334.06	500.73
Dues & REGISTRATION	60.00		10.00	
CONTRIBUTIONS TO PENSION PLAN	900.36	900.36	917.28	833.28
TOTAL PAYROLL & FRINGE BENEFITS	18,618.09	18,513.40	18,884.34	17,057.01
<u>Total Payroll &amp; FRINGE BENEFITS</u>				73,072.84
<u>FIXED EXPENSES</u>				
RENT				
LIGHT				
TELEPHONE				
STATIONERY, SUPPLIES & SERVICES				
TAXES				
REPAIRS				
BANK SERVICES				
OBsolescence & DEPRECIATION				
FOREIGN EXCHANGE				
MISCELLANEOUS				
<u>TOTAL FIXED EXPENSES</u>				
<u>OPERATIONAL TRAVEL</u>				
<u>PURCHASE OF BOOKS &amp; PUBLICATIONS</u>				
<u>GRANTS, ENTERTAINMENT, PUBLIC INFO</u>				
GRANTS IN AID				
ENTERTAINMENT				
PUBLIC INFO.				
<del>Dues &amp; REGISTRATION</del>				
<u>TOTAL GRANTS, ENTERTAIN. PUBLIC INFO</u>				
POSTAGE				
<u>SPECIAL PROJECTS &amp; ACTIVITIES</u>				
<u>AFFILIATED GROUPS</u>				
<u>TOTALS EXPENSES</u>				
<u>GRAND TOTAL EXPENSES</u>				

\* For breakdown see Attach C, D, & E

ATTACH G